2019 | The State of **Social Assistance in Africa**

OVERVIEW

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Attribution: UNDP (2019). *The State of Social Assistance in Africa*. New York.

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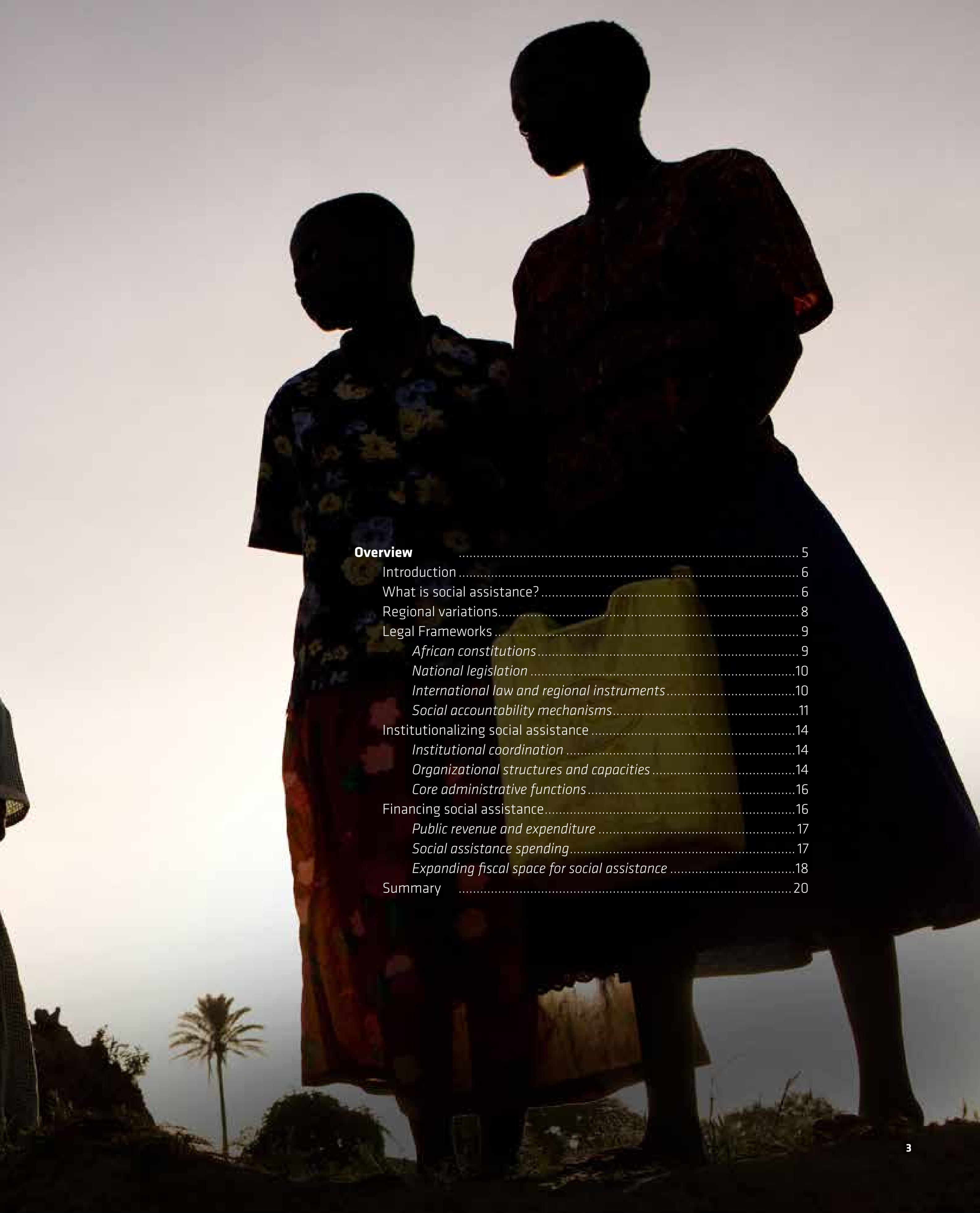

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OVERVIEW

Introduction

Social assistance is a relatively recent addition to the policy agenda in Africa, but the principles of redistribution, reciprocity and social solidarity that underlie social assistance have been widely practised for centuries. In precolonial Africa, informal mechanisms provided essential support to extended family and community members who were unable to meet their subsistence needs (Devereux and Getu, 2013).[1] Many of these "traditional solidarity mechanisms" (Comoros PNPS, 2014) still operate today. However, they are weakening under processes of modernization and they are unable to provide adequate support to everyone who needs it, especially in response to large shocks that affect entire communities, such as a drought-triggered food crisis. Also, during the colonial period forms of social insurance inspired by the European system, such as employment-related pensions were introduced to Africa, but usually to provide protection to the expatriates and local officials in the colonial administration, rather than the poor, who were left out. This is why the state, with its mandate and obligation to protect the well-being of all citizens and residents, is increasingly stepping up to deliver social assistance to poor and vulnerable people. How this is happening is the subject of this report.

This overview chapter provides a summary of the full report. It starts by answering the definition question – "What is social assistance?" – drawing mainly on African policy statements. Next it considers legal frameworks that underpin social assistance, from national constitutions and relevant legislation, to regional instruments and international law, before concluding with social accountability mechanisms.

The institutionalization of social assistance requires multi-level coordination and organizational capacity to implement core functions such as targeting, registration and payments. Finally, a discussion of financing social assistance includes an analysis of public revenue and spending patterns in Africa, as well as an assessment of the options available to governments to increase fiscal space.

What is social assistance?

In the international literature social assistance (also called social welfare, or social safety nets) is one of the two main branches of social protection, the other being social insurance (sometimes called social security). Social assistance consists mainly of publicly funded transfers of cash or food to poor and vulnerable people. Social assistance schemes include child benefits, disability grants, social pensions, food vouchers and public works. Apart from public works, these programmes target non-working cohorts; working adults get tiny allocations of social assistance budgets. Social insurance, on the other hand, targets mainly workers or retired workers. It provides compensatory income triggered by loss of income or livelihood, for example due to retrenchment or retirement. Social insurance schemes include unemployment benefits, community-based health insurance and employment-related pensions. Unlike social assistance, social insurance usually requires contributions to be paid before claims can be made. Broader definitions of social protection add labour market programmes such as youth employment subsidies, access to basic social services such as fee-free education, and social transformation measures such as anti-discrimination policies for social inclusion of marginalized groups.

[1] See the full report for complete bibliographic citations and a list of acronyms.

The African Union (AU) does not favour one definition and has not proposed an "African" definition of social assistance. However, in its Social Policy Framework for Africa the African Union defines social protection as "responses by the state and society to protect citizens from risks, vulnerabilities and deprivations" (AU, 2008: 9). It lists a range of interventions that it classifies as social protection, including social welfare (i.e. social assistance), social security, access to stable income and secure access to education and health care. Social protection is seen as having many benefits, notably reducing inequality and intergenerational poverty, but the primary purpose is "to ensure minimum standards of well-being" (AU, 2008: 9).

Within Africa, different understandings of social assistance and social protection are evident, and at least two of the African Union's eight Regional Economic Communities have produced their own definitions. The Southern African Development Community's (SADC) Code on Social Security (SADC, 2008) defines social protection as encompassing "social security and social services, as well as developmental social welfare", the aim being "to protect individuals against life-cycle crises that curtail their capacity to meet their needs". Social assistance is a specific form of social protection, "which provides assistance in cash or in kind to persons who lack the means to support themselves and their dependants". The East African Community defines social protection in its Child Policy (2016) as: "A set of public policies, programmes and systems that help poor and vulnerable individuals and households to reduce their economic and social vulnerabilities, improve their ability to cope with risks and shocks and enhance their human rights and social status".

Coming to the national level, it is a striking fact that in the year 2000 no African country had a National Social Protection Strategy (NSPS) or Policy (NSPP). By 2010 only four countries had a NSPS or NSPP, but this number rose to 29 in 2017, more than half of all countries in the continent. The incorporation of social protection—including social assistance—into national policy frameworks is a powerful indicator of deepening institutionalization and national ownership, even though development partners strongly supported these policy processes. Most definitions in these documents recognize social protection as a government responsibility—"policies and programs, implemented as part of public action" (Liberia NSPPS, 2013) – sometimes in partnership with non-state actors—"public and private initiatives" (Rwanda NSPS, 2011), "formal and informal interventions" (Ethiopia NSPP, 2012). Some countries recognise the role of "traditional" social protection—"informal community support and extended families" (Kenya NSPP, 2011).

The primary objectives of social protection are understood in most African policy statements as being to reduce vulnerabilities (e.g. due to disability or old age), to manage economic and social risks, and to alleviate poverty. Related objectives include building resilience and reducing food insecurity. This suggests that social protection serves both as a safety net against livelihood shocks or chronic vulnerability and as a poverty reduction instrument. Several strategies refer to ensuring pro-poor access to social services, especially health and education.

Most African NSPPs and NSPSs do not frame social protection as a right. Exceptions include Mozambique, Zimbabwe and Zambia— "All Zambian citizens have the right to Social Protection" (Zambia NSPP, 2014). Occasionally social protection is seen as a means of "guaranteeing minimum levels of human dignity" (Côte d'Ivoire SNPS, 2013).

The most common target group for social protection in African definitions is "the poor", "the poorest", or "extremely poor people" (Madagascar PNPS, 2015), followed by "vulnerable groups", usually understood as demographic categories—"the youngest, the oldest, the disabled" (Central African Republic PNPS, 2012). Social vulnerability or marginalization is mentioned infrequently— "socially excluded segment of the society" (Lesotho NSPS, 2014). Very few national policies emphasize that social protection is for everyone– “the entire population” (The Gambia NSPP, 2015)—and not only for the poor and vulnerable groups.

Social assistance is also specifically defined in some African policies, for example Zimbabwe’s– “Social assistance is a non-contributory form of social security which is financed from government revenue” (Zimbabwe NSPPF, 2016). Social assistance refers to cash for food transfers– “non-contributory, regular and predictable cash or in-kind transfers” (Sierra Leone PFSP, 2009)—but can also extend to public works, health subsidies and fee waivers for basic social services.

Apart from defining social protection and social assistance, most African NSPS and NSPP documents draw on conceptual frameworks from the international literature. Four frameworks are most popular.

Social risk management (SRM) dominated social protection thinking in the early 2000s. SRM conceptualizes social protection as a set of safety net mechanisms for mitigating the range of risks and shocks that people face (natural, economic, health, political), through public interventions that include social assistance and social insurance. Countries that focus on risk management in their NSPP or NSPS include Benin, Cabo Verde and the Central African Republic.

The **life-cycle approach (LCA)** disaggregates needs for social protection by stages of life, recognizing that sources of vulnerability are different for children, working-age adults and older persons. It identifies appropriate social protection instruments for each group and each source of vulnerability –child benefits for children, pensions for older persons, and so on. Lesotho, Mali, Mauritania, Mauritius, Mozambique, Zambia and Zanzibar all favour a life-cycle approach in their social protection strategies.

Transformative social protection (TSP) adds a fourth component (“transformation”) to the three pillars of social assistance (“protection”), social insurance (“prevention”) and livelihoods support (“promotion”). Niger’s NSPP (Niger PNPS, 2011) explains that TSP aims “at transforming the systems of inequality that keep the poor in poverty ... through the strengthening of social status and the rights of the excluded and marginalised.” At least 12 African countries have incorporated TSP in their NSPP or NSPS.

The **social protection floor (SPF)** commits all member states of the International Labour Conference to implement four guarantees: income security for all children, people of working age and older persons, and access for all to essential health care. The SPF is a rights-based approach aiming at universal coverage of social protection, which governments are often hesitant to commit to except on a basis of “progressive realization” over time – e.g. 10 years in Ghana, 15 years in Rwanda. Côte d’Ivoire has also adopted the SPF.

These conceptual frameworks are complementary; they do not contradict each other. For instance, the social protection floor disaggregates the right to social protection by life-cycle stage. Several countries draw on two or even three frameworks in their social protection strategies. Kenya combines TSP (“anti-discrimination legislation”) with SPF (“a universal minimum package”). The Gambia and Nigeria combine the life-cycle approach, transformative social protection and the social protection floor.

Regional variations

Although Africa has experienced an enormous and rapid expansion of investment in social assistance programmes in the past two decades, progress is uneven across the continent and different sub-regions have followed different trajectories. As a generalization, social assistance is more advanced in East and Southern Africa, less advanced in West Africa and lagging behind in Central Africa. North Africa has followed a different path from sub-Saharan Africa. Variations reflect different colonial histories and contemporary engagement with international development agencies, as well as express domestic social policy objectives and attitudes towards public investment in “welfare” versus “productive” sectors.

Most countries in Southern Africa administer categorical cash transfers to vulnerable demographic groups (child grants, disability grants, social pensions), led by South Africa which initiated social pensions in the 1920s, later followed by Namibia, Botswana and Mauritius. In the mid-2000s, Lesotho and Eswatini (formerly Swaziland) also introduced social pensions, to support older persons caring for children orphaned by AIDS. In 1998, South Africa launched the Child Support Grant, now the largest social assistance programme in Africa, as a post-apartheid response to racialized poverty. These schemes are mostly financed by domestic taxes, with little involvement of international agencies. Two Lusophone countries in Southern Africa (Angola and Mozambique) have passed a Social Protection Law.

In East Africa, social assistance evolved out of a long history of food insecurity and food crises, with cash transfers introduced relatively recently to replace emergency or programme food aid. Large-scale “productive safety net” programmes were introduced in the 2000s by the governments of Ethiopia, Kenya and Rwanda, as mechanisms to reduce food insecurity and promote productive inclusion. Initial design inputs and financing were provided by international development partners.

In several Francophone countries of West and Central Africa, the right to social protection is enshrined in the national constitution and is understood as a demonstration of social solidarity and social cohesion. But this right is rarely justiciable, as is also the case elsewhere in Africa. Relatively few social assistance programmes are operating at national scale in these regions, especially in Central Africa, where the recent wave of social protection has barely penetrated.

Social assistance in North Africa has been dominated by universal subsidies for food and fuel, with some redistribution to the poor through various forms of Islamic charity. Recently, universal subsidies have started to be phased out in these countries and replaced with targeted cash transfers, while some governments have formalized the collection and disbursement of religious contributions such as zakat. Sudan’s Ministry of Welfare and Social Security, for instance, administers a national Zakat Fund.

Legal frameworks

A legal framework is a fundamental component of any well-developed social protection system. Social protection and social assistance throughout Africa are increasingly underpinned by national legislation, ratification of relevant international conventions, references to social protection in the Constitution, a social protection policy or strategy, laws that confer the right to social protection and social accountability mechanisms that empower citizens to claim that right.

African Constitutions

Most African constitutions refer to social protection, social assistance, social security or social welfare. Several constitutions include a specific guarantee: “The State shall provide appropriate social security to persons who are unable to support themselves and their dependants” (Kenya, 2010). In some recent constitutions this guarantee takes the form of a right: “Everyone shall have the right to social security for his or her protection … in all situations of lack or decrease in his or her means of subsistence or in his or her capacity to work” (Cabo Verde, 2010). “The state … shall guarantee the right to social assistance in accordance with the law” (Tunisia, 2014). Most African constitutions specify “vulnerable groups” that need social protection or social assistance. Such groups typically include children, women, older persons and persons with disability.

Constitutions are important because they embody the society’s values. A Constitutional Court case in 2004 explained why the right to social assistance is entrenched in South Africa's Constitution: "A society had to attempt to ensure that the basic necessities of life were accessible to all if it was to be a society in which human dignity, freedom and equality were foundational" (SAFLI, 2014: 33).

But constitutional provisions are not necessarily enforceable or justiciable. Sometimes economic, social and cultural rights are framed as objectives or guiding principles that are non-binding, unless and until appropriate legislation is enacted by parliament. Also, because the full implementation of rights such as social assistance could be very expensive for the state, these rights are often subject to the principle of "progressive realization," meaning that they will be provided only when the government believes they can be afforded. Ethiopia's Constitution (1994) stipulates that the state "shall aim to provide all Ethiopians access to … social security… to the extent the country's resources permit."

National legislation

Constitutional provisions regarding social assistance are increasingly given effect in legislation. South Africa's constitutional recognition in 1996 that "Everyone has the right to have access to social security, including, if they are unable to support themselves and their dependants, appropriate social assistance" was followed by the Social Assistance Act in 2004. Similarly, Kenya's constitutional guarantee of social protection in 2010 was followed by a Social Assistance Act in 2013.

A legal framework for social assistance allows abstract rights to become enforceable claims. A detailed social assistance law specifies, *inter alia*, eligibility criteria, registration procedures, benefits payable and appeal mechanisms. On the other hand, social assistance can be implemented without any legal underpinning. Pilot projects have often been introduced (many with external support) and run for many years, even scaled up to national level, in the absence of a legal framework. This is not ideal, because it gives no rights or legal protection to programme participants. Programmes backed by law are less easy to close down.

Where the right to social assistance is reflected in legislation, this provides a legal basis for extending these rights. In South Africa, for example, civil society challenges concerning the legal definition of a child pushed the Government into lifting the age of eligibility for the Child Support Grant from under 7 years to up to 18 years.

Lusophone countries in Africa tend to favour legislation for social protection: first a framework law then specific laws governing social assistance. Angola enacted its Social Security Framework Law in 2003 and a Basic Law on Social Protection in 2004. Cabo Verde's Social Security Law came in 2001 and its Basic Social Protection Law followed in 2013. Mozambique enacted a Law on Social Protection in 2007 and Regulations on Basic Social Security (covering social assistance schemes) in 2009.

Legislation is also an important indicator of national ownership because it symbolizes social solidarity, especially with universal schemes such as social pensions for all older persons or health insurance for all. Alternatively, universal coverage and inclusiveness can be achieved by enacting one law that combines contributory social insurance with non-contributory social assistance, as with Gabon's Social Protection Code of 2017.

In several countries the concept of social protection encompasses social services in addition to social insurance and social assistance. Likewise, some social protection laws refer not only to monetary benefits (e.g. cash transfers) for alleviating poverty, but also to other objectives such as social inclusion. Tunisia, for instance, enacted a Law on Social Protection Centres in 2011 for homeless people and children at risk, while Mauritius passed its Social Integration and Empowerment Act in 2016, which aims "to enhance social justice and national unity, social integration and empowerment of persons living in absolute poverty".

International law and regional instruments

The recognition of social protection as a right derives from the Universal Declaration of Human

Rights (UDHR) in 1948, which established the right of everyone to social security and to an adequate standard of living. These rights have three components: social assistance (for food, clothing, housing, and other basic needs), social services (such as medical care) and social security (insurance in the event of unemployment, retirement, etc.). The United Nations gave substance to the UDHR in 1966 with the International Covenant on Economic, Social and Cultural Rights, which has been ratified by 50 African countries. Other relevant UN instruments that have been ratified by most African countries include the Convention on the Elimination of All Forms of Discrimination Against Women, the Convention of the Rights of the Child, and the Convention on the Rights of Persons with Disabilities.

Global standards on social protection derive from the ILO's Social Security (Minimum Standards) Convention of 1952, which has been ratified by only seven African countries, but provides a framework that has been incorporated into most social protection systems in Africa. More recently, the ILO's Social Protection Floors Recommendation in 2012 established a minimum set of guarantees—income security and healthcare for all children, working-age adults and older persons —that have already been incorporated into several national social protection policies in Africa.

At the Africa level, the African Union's African Charter on Human and People's Rights of 1981, ratified by all 55 AU member states, specifies a number of rights that refer implicitly to social protection, including the rights to food, health and protection of the family. The AU Social Policy Framework for Africa of 2008 stressed the need for a "minimum package of essential social protection" for vulnerable groups—"children, informal workers, the unemployed, older persons and persons with disabilities"—mainly by extending social insurance schemes, social welfare services and non-contributory cash transfers.
In 2015 the AU Executive Council asked the AU Commission to develop an Additional Protocol to the African Charter on Human and Peoples' Rights, on the Rights of Citizens to Social Protection and Social Security. Specific charters that refer explicitly to rights to social assistance in Africa have been developed for youth (2006), internally displaced persons (2009), older persons (2016), and persons with disabilities (2018).

Regional Economic Communities (RECs) within Africa are developing their own social protection instruments. In the East African Community (EAC) these include the EAC Strategic Plan for Gender, Youth, Children, Social Protection and Community Development (2012) the EAC Social Development Policy Framework (2013) and the EAC Child Policy (2016). In the Southern Africa Development Community (SADC), the Code on Social Security in the SADC (2008) and the Protocol on Employment and Labour (2014) both specify that member states should provide social assistance to anyone with insufficient means of subsistence. In North Africa, the Tunis Declaration on Social Justice in the Arab Region (2014) commits countries to expand social protection. In West and Central Africa, a Communiqué of the International Conference on Child Poverty and Social Protection (2015) argues for the development of national social protection policies, based on the Social Protection Floor.

Social accountability mechanisms

Social accountability mechanisms empower citizens and civil society to hold governments to account, including to deliver social assistance, especially (but not only) where a right to social protection is enshrined in the constitution and enacted in legislation. Social accountability democratizes social protection, and for this reason these mechanisms are more prevalent in countries where governments are responsive to protests and civil society activism is tolerated rather than repressed.


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Some institutions for social accountability are established by governments themselves, for example South Africa's Framework for Strengthening Citizen-Government Partnerships for Monitoring Frontline Service Delivery. In Ethiopia, the Expanding Social Accountability Programme uses tools such as community score cards and citizen report cards to monitor delivery and improve the quality of social assistance and other services, and to make government more responsive to locally articulated needs.

Some social assistance programmes have inbuilt accountability mechanisms such as a grievance procedure that allows beneficiaries to complain if they do not receive their payments in full and on time, and also allows non-beneficiaries to argue that they were unfairly excluded. This is aligned with the ILO's Social Security Convention of 1952, which provides that: "Every claimant shall have a right of appeal in case of refusal of the benefit or complaint as to its quality or quantity."

These programme-level rights are spreading in Africa. Ghana's Livelihood Empowerment Against Poverty (LEAP) programme has Community LEAP Implementation Committees, which empower citizens to participate actively in programming decisions rather than being passive beneficiaries. In other cases, external actors design customized accountability mechanisms for programmes they support. Kenya's Hunger Safety Net Programme had a Programme Charter of Rights and Responsibilities, and community-level Beneficiary Rights Committees were established by the NGO HelpAge International.

Institutionalizing social assistance

Legal frameworks create an entitlement to social assistance, but institutions play a decisive role in whether and how that right is realized. Efficient government structures, including a designated ministry or agency as well as transparent rules and accountability, ensure that social assistance goes to the right persons in full and on time, leaving the recipients better able to plan, invest and reap the returns of increased security.

African governments are increasingly taking the lead in expanding social assistance, not only by increasing the number of programmes, but also by scaling them up from small, temporary projects to permanent programmes that reach nationwide coverage. Accompanying this expansion, governments are establishing institutions and administrative structures to manage social assistance. Many governments have also developed national social protection strategies, passed relevant legislation, and are allocating more domestic funding to social assistance.

There is no one pathway to building stable permanent institutions for social assistance. Some countries first enact laws, followed by a national strategy implemented by an evolving state apparatus. Others have never developed a strategy but have a strong social protection system underpinned by national legislation. Yet others take over programmes initially supported by development partners and create institutions to embed them in national structures.

This report considers several dimensions of institutionalization of social assistance: coordination; delivery of social assistance at different levels of government; organizational capacity; and core administrative functions such as targeting and payment methods.

Institutional coordination

Coordination of social protection policies and social assistance programmes, as well as—given the interdisciplinary nature of social protection—linkages with relevant sectors (e.g. health, education, agriculture) are vital to maximize efficiency and effectiveness. Institutional coordination involves two dimensions—policy supervision or oversight, and cross-sector administrative coordination at the programme level.

The establishment of a dedicated ministry or agency responsible for policy coherence and supervision of the social assistance portfolio is one marker of institutionalization. The more power such a body has, the greater its authority and convening power vis-à-vis other departments and the more effectively the system will perform. African countries that have recently established a dedicated ministry for social protection include Egypt, Ghana, Kenya and Madagascar. This gives the sector more prominence and visibility within government, but often these ministries exert limited authority. In other cases, stronger ministries administer social assistance. In Lesotho, for instance, the old age grant is run by the Ministry of Finance. Some countries institute inter-ministerial architecture to facilitate coordination of social protection within the government (examples include Benin, Burkina Faso and Senegal).

An important insight from the review of institutional set-ups concerns governments' efforts to integrate the management of social assistance within their structures and capacities. Coordination of the social assistance portfolio involves cross-sector administration to harmonize different programmes and to introduce management tools and processes (e.g. a unified database or "single registry"). Establishing a ministry or agency brings a mandate, a budget, clearly defined roles and responsibilities and capacities to implement. In several countries (e.g. Mozambique, Seychelles, South Africa and Tanzania), social assistance programmes are implemented through a single semi-autonomous agency. In others they are managed by a public body under a ministry (e.g. in Kenya) or by a private management consultancy firm (e.g, in Uganda). Many countries are developing integrated information systems that drive coordination and harmonization of social assistance programmes. Technical assistance provided by development partners for this purpose is valuable but can hamper coordination efforts if it creates parallel structures with blurred lines of accountability.

Organizational structures and capacities

Different levels of government are involved in delivering social assistance programmes, from central to local, which requires multi-level coordination of organizational structures. While most programmes are managed centrally, local government plays important roles in social assistance delivery (e.g. in targeting, registrations, payments and case management) due to its proximity to communities. In Ethiopia's PSNP, vertical coordination happens between the federal and national levels, while implementation occurs at local level, where task forces comprising a range of stakeholders (local government, civil society organizations (CSOs), social workers, health workers) oversee programme delivery. However, a policy decision to coordinate across levels is not always followed by the allocation of necessary resources and delegation of decision-making power. Slow or partial decentralization, unclear lines of authority and responsibility, limited information flows between the centre and localities, and inadequate financial and human resources can all hinder the effectiveness of social assistance delivery.

Policies and strategies provide the overall direction and objectives of social assistance, while organizational structures are the backbone to fulfil that mandate. But the effectiveness and quality of programme delivery hinge on the capacities of responsible organizations. Organizational capacity is determined by socioeconomic contexts, political economy, maturity of the public sector, staffing and budget levels, and infrastructure (e.g., banking and ICT architecture, mobile phone usage, and civil registration records).

Staff shortages and low capacity of staff, particularly at local levels, are common challenges. On the one hand, limited numbers of social workers can result in reliance on volunteers, which undermines the objective of institutionalizing social assistance within government structures. On the other hand, if government employees such as social workers are assigned to duties such as administering cash transfer payments, this could compromise their ability to perform their core functions, such as case management and child protection. Politically influenced staffing, slow recruitment processes, lack of incentives and high staff turnover all contribute to major capacity constraints in social assistance systems.

Many governments do not have adequate basic material resources such as office space, computers and vehicles to run social assistance programmes efficiently. Administrative costs per beneficiary tend to decrease over time, but countries often find it hard to allocate funds up front to strengthen administrative capacity and rely on development partners to support these operational costs.

Core administrative functions
Administrative functions that are necessary to deliver social assistance include targeting, registration, and payment systems.

Targeting: Since social assistance aims to provide support to specific groups of people, eligible individuals and households need to be accurately identified. Poverty targeting is controversial because exclusion errors are almost inevitable, especially in communities with high poverty levels where it is difficult to draw a clear line between the poor and non-poor. Most countries apply mixed methods to determine eligibility for social assistance, drawing on poverty assessment (means tests or proxy means tests) as well as demographic categories (e.g. older persons or persons with disability) or geographical location (all poor persons in a specific district). Communities are often engaged in the process, either by identifying their poor members or by validating lists compiled using other targeting mechanisms.

Registration: Different mechanisms exist to register eligible participants for social assistance. On-demand registration is seen as most effective because it is most convenient, but it requires structures and processes to be available all the time, which is beyond the capacity of many countries. Census-based registration carries the risk of exclusion error as census data are only collected at lengthy intervals. Single registries are a noteworthy innovation. They centralize participants' data in a unified database that can be used by various programmes, reducing duplication and administrative costs and strengthening horizontal coordination (across programmes and sectors) and vertical coordination (between administrative levels). Some countries use national ID systems to create a discrete identification system for social assistance programmes, often using biometric data (e.g. Ghana, Namibia, South Africa). All these approaches face issues of data management and privacy.

Payment systems: At least in the initial stages, social assistance payments are almost always delivered manually, usually by government workers. This can create problems, such as overloading staff and distracting them from their core duties, risks of corruption, and delayed or irregular payments if the government disbursement system is too bureaucratic or experiences cash-flow disruptions. For these reasons and to improve efficiency, many governments are switching to electronic systems, such as mobile banks, e-payments or prepaid cards. This function tends to be outsourced to the private sector (banks or mobile phone companies), which has its own advantages and risks. Required technology (e.g. ATMs, network coverage) might not be accessible to all programme participants, bank charges can reduce the value of transfers, and private firms could misuse personal data. Governments need effective in-house capacity to supervise payment providers, as in Uganda.

Financing social assistance

Another marker of the deepening institutionalization of social assistance within Africa is the steadily increasing commitment of domestic finance to these programmes, which now exceeds spending by development partners in many countries. However, funding remains a major challenge due to public finance deficits. Continued expansion of social assistance requires a strategy for creating adequate fiscal space. This section reviews the basic components of public finance (i.e. public revenue and public expenditure), then analyses recent patterns of spending on social assistance in Africa, before exploring options for fiscal policy to raise additional revenue for social assistance programmes.

Public revenue and expenditure

Public revenues are derived from tax and non-tax sources. In Africa, the main components of tax revenue are, in order of importance: value added tax (VAT); taxes on specific goods and services; personal income tax; and corporate income taxes. The weight of each component varies across countries. For example, in 2015 the contribution of personal income tax to total tax revenue ranged from a negligible 0.3 percent in Tunisia to 33.4 percent in South Africa.

The tax-to-GDP ratio (tax revenues as a proportion of GDP) is a sensitive indicator of the contribution made by tax collection to public finances. Based on available data between 2010 and 2015, the average for the continent was 17.8 percent, which is half of that obtained by OECD countries. Some countries have very low tax ratios. In 2015 Nigeria's tax-to-GDP ratio was only 1.5 percent, contradicting an observed pattern that resource-rich countries generally raise more taxes.

Non-tax revenues contribute 11 percent to government revenues in Africa. There are different patterns related to diverse types of revenues, such as: grants; sales of goods and services; property income; rents royalties and interest and dividends. While in Senegal and Rwanda grants are a major component of non-tax revenues, in Mauritius and Morocco sales of goods and services are dominant.

Public expenditure represents the cost of financing government activities, including social assistance. In 2012, public expenditure was 28.5 percent of GDP for 34 African countries, up from 25.0 percent in 2000. Again, the variation across countries is high. In 2012, Guinea Bissau's public spending was below 2 percent of GDP, while Lesotho's was over 62 percent.

In terms of the overall balance between revenue and expenditure, African countries have higher public expenditure than public revenue, indicating persistent deficits in public finances. In 2014, almost all 24 countries with available data presented a negative revenue-expenditure gap.

Social assistance spending

Defence, education and health are usually among the top five expenditures of African governments. Social assistance is not, and typically receives discretionary funds, after non-discretionary allocations such as debt servicing. There is wide variation among 36 observed countries, where social assistance spending in 2014/15 fell in the range of 0.02 percent (Chad) to 5.55 percent (South Africa) of GDP.

This report introduces a Social Assistance Expenditure per Poor Person Indicator to assess the significance of social assistance in governments' agendas, as well as the actual needs for social assistance in any given country. A poor person is defined as someone having income below the purchasing power parity (PPP) poverty line of US$1.90 per day. There is wide variation across countries, which is not correlated to regions or to the presence of oil and mineral reserves. Three sets of countries are observed in 2010-2015 in terms of spending per year:

1) High spenders (US$1,000 to US$36,000), including Mauritius, Seychelles, South Africa and Tunisia;

2) Intermediate spenders (US$14 to US$146), including Benin, Comoros, Egypt, Ethiopia, Ghana, Lesotho, Rwanda and Senegal;

3) Low spenders, comprising 19 countries which spend less than US$9 on each poor person per year.

Another crucial source for social assistance funding in many countries is development partners—multilateral and bilateral agencies. As political commitment to social assistance rises so does domestic financing, until it exceeds financing from development partners. In the 2013-2015 period, domestic contributions to cash transfer programmes tripled in Zambia and doubled in Rwanda, Kenya and Ghana. Government social assistance budgets tend to prioritize older persons, followed by children, persons with disability and lastly adults and youth, who are often overlooked. On the other hand, public works programmes that target youth and adults provide higher individual cash transfers compared to cash transfers to other groups.

Expanding fiscal space for social assistance
Despite growing investment by governments, social assistance programmes are not prioritized within public budgets in most African countries. Therefore, strategies for raising state capacity for funding social assistance should be considered, such as improving the efficiency of tax collection, expanding the tax base, or changing tax rates. Alternatively, new taxes can be introduced, but that option rarely receives much political support.

In general, African countries have low tax collection capacity, one reason being the large informal sector which leaves a very small taxpayer base. This has implications for state spending in all areas and for the dominant taxes used for financing social programmes. Low tax collection capacity supports a preference for taxing consumption goods (e.g. VAT) over income tax, because the former typically has lower administrative costs and disincentive effects. However, this preference places a heavy burden on poor families and exacerbates inequality, because consumption goods taxes are regressive (unlike income tax which is progressive). The fact that the poor contribute to public revenues through consumption goods taxes, even if they do not pay income tax, is a strong argument for increasing government spending on pro-poor social assistance. South Africa, Botswana and Zambia have reduced the difference in tax effort between the two types of taxes, which allows for a significant use of income taxes within public revenues and anchors social assistance in a progressive tax strategy.

Contrary to common perceptions, domestic funding for social assistance now, on average, exceeds funding from development partners in many African countries. Nonetheless, official development assistance (ODA) is still commonly used as a source of finance for social assistance. The risk is that dependence on external funding inhibits domestic resource mobilization and institutional development. Positive impacts of ODA have been recorded on launching and extending social assistance programmes, on technical aspects such as designing social protection policies, and on meeting the initial costs of building systems and institutions. However, international aid makes only modest contributions to the recurrent costs of social cash transfers, especially in the long term.

Reducing illicit financial flows and tax avoidance are key areas for improving tax collection capacity. These are particularly prevalent in lower middle-income countries, which tend to combine availability of economic resources with limited institutional capacity for surveillance and control. Between 2003 and 2012, it is estimated that total illicit financial outflows from Africa greatly exceeded ODA inflows.

Reallocating budgets from other sectors and reducing subsidies can also increase fiscal space for social assistance. Any budget reallocations must be pro-poor: cutting spending on other social sectors (health, education) to fund social transfers could result in no net welfare gains, because those sectors are equally important for human development. As for cutting subsidies, while in theory this should release substantial revenues to allocate to social assistance, in practice this strategy is politically risky and the "subsidy dividend" is rarely redistributed in full to the poorest and most vulnerable.

Summary

This report identifies three waves of formal social protection in Africa, noting however that informal community-based support mechanisms have functioned in Africa for centuries. The first wave of European-style social security was introduced to Africa during the colonial period, but was dominated by social insurance for civil servants, with very little social assistance for the poor. The second wave of social protection has spread through much of Africa since about 2000, with a focus on formal social assistance, especially cash transfers, as a poverty reduction tool. These initiatives were driven by international development partners that provided technical and financial support to policy formulation, programme design and systems building. In the emerging "third wave", African governments are increasingly taking responsibility for delivering social assistance to their poor and vulnerable citizens.

In national and regional policy statements, social assistance (or social welfare) is understood as one of the two main branches of social protection, alongside social insurance (or social security). The African Union defines social protection as "responses by the state and society to protect citizens from risks, vulnerabilities and deprivations". At the national level, social assistance is usually interpreted as cash or food transfers to poor and vulnerable groups. More than half the countries in Africa now have a National Social Protection Strategy (NSPS) or Policy (NSPP), which draw inspiration from four complementary conceptual frameworks: social risk management; life-cycle approach; transformative social protection; and the social protection floor.

Legal frameworks entrench social assistance as a claim and open spaces for civil society activism to extend its scope. Many national constitutions refer to social protection as a right that the state is duty-bound to uphold, but this right is not always enforceable. Some countries have given effect to this right by passing laws, either as framework legislation or to regulate specific social assistance programmes. Often these laws derive from international law, starting with the Universal Declaration of Human Rights (1948) and the African Charter on Human and People's Rights (1981). The African Union is currently developing an Additional Protocol on the Rights of Citizens to Social Protection and Social

Security. Complementing these top-down laws, social accountability mechanisms are bottom-up initiatives that empower citizens to ensure that governments deliver social assistance and other services effectively and fairly, thereby making participants active actors and "democratizing" social assistance programmes.

Institutionalization of social assistance is increasingly visible across Africa. Policies and strategies have been adopted that transcend political cycles. Small-scale fragmented pilot projects promoted by development partners have been embedded in government structures, have scaled up and reached nationwide coverage supported by domestic funding. More stable governance and organizational structures are giving broad-based support and legitimacy to the expansion of social assistance across the continent.

However, coordination and integration within the sector and across government remains a critical challenge. Capacities of responsible institutions and staff need to improve and development partners need to be more committed to long-term capacity strengthening. Monitoring and evaluation is a crucial gap in many countries, limiting the ability to learn lessons and improve design and implementation of social assistance across diverse contexts and over time.

Funding of social assistance programmes is still a major challenge for African countries, due to public finance deficits and because social assistance is rarely prioritized in public revenue allocations, which typically favour sectors such as defence, education and health. Nonetheless, from small beginnings domestic funding for social assistance now exceeds ODA from development partners in several countries. The largest share of social assistance expenditure goes to older persons, children and persons with disability. Countries need to create more fiscal space to finance expanding coverage and more generous payments on social assistance programmes. One option is to raise more tax revenues, but this must be done in a way that is perceived as fair, does not harm the poor, and is politically acceptable. Other options include reducing tax avoidance, illicit financial flows, and general price subsidies.

Overall, there are many indications that social assistance is becoming domesticated in Africa. Not only are governments taking on steadily rising proportions of programme financing, they are publishing policies, passing laws and establishing institutions that strengthen the delivery capacity and rights basis of social assistance programmes. As these trends continue, conceptualizations of social assistance can be expected to evolve in ways that draw both from Africa's rich traditions of mutual solidarity and from the global development policy discourse.

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